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VICTORY GROUP LIMITED

華多利集團有限公司

(Incorporated in Bermuda with limited liability)

Announcement & Resumption of Trading

VICTORY GROUP LIMITED

(Incorporated in Bermuda with limited liability)

INCREASES IN SHARE PRICE AND TRADING VOLUME

SUMMARY

The directors of Victory Group Limited (the "Company") wish to state that they are not aware of the reasons for the recent increases in share price and trading volume except that a preliminary negotiation, starting from 23rd February 2000, between Mr. Chan Chun Choi ("Mr. Chan"), a director and the controlling shareholder of the Company, and Fountain Technologies, Inc. ("Fountain") in relation to a possible acquisition of the controlling shareholding interest in the Company by Fountain. The negotiation may or may not lead to a change of control of the Company and may or may not lead to a general offer for the Company. Yet at the present moment, no agreement or conclusion has been reached in respect of such negotiation.

Trading of securities of the Company on the Stock Exchange was suspended at 10:00am on 24th February 2000. Application will be made to the Stock

Exchange to resume trading of the securities of the Company with effective from 10:00am on 25th February 2000.

This statement is made at the request of The Stock Exchange of Hong Kong Limited.

We have noted that recent increases in the price and the increases in trading volume of the shares of the Company and wish to state that we are not aware of any reasons for such increases except that there is a preliminary negotiation, starting from 23rd February 2000, between Mr. Chan and Fountain, a potential joint venture partner as disclosed in the Company's announcement dated 1st February 2000, in relation to a possible acquisition of the controlling shareholding interest in the Company by Fountain. Fountain is not connected with directors, chief executives or substantial shareholders of the Company or any of our subsidiaries or an associate of any of them (as defined in the Listing Rules) except that the Company had entered into a legally binding Letter of Intent with Fountain as disclosed in our announcement dated 1st February 2000. The possibility of acquisition of the controlling shareholding interest in the Company may be (i) through new issuance of shares of the Company or (ii) through the sale of shares held by Mr. Chan, which was discussed in such preliminary negotiation. The present shareholding of Mr. Chan and parties acting in concert with him in the Company is 62.48 per cent. The negotiation may or may not lead to a change of control of the Company and may or may not lead to a general offer for the Company. Yet at the present moment, no agreement or conclusion has been reached in respect of such negotiation.

As stated in the Company's announcement dated 1st February 2000, the directors also wish to state that there is no progress of the establishment of the joint venture between the Company and Fountain. Further announcement will be made as and when appropriate.

Save as disclosed above, we also confirm that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under paragraph 3 of the Listing Agreement, neither is the Board aware of any matter discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement, which is or may be of a price-sensitive nature.

The possible acquisition may or may not proceed. Further announcement will be made as and when appropriate. Shareholders and investors should exercise extreme caution when dealing in the shares of the Company.

Trading of securities of the Company on the Stock Exchange was suspended at 10:00am on 24th February 2000. Application will be made to the Stock Exchange to resume trading of the securities of the Company with effective from 10:00am on 25th February 2000.

By Order of the Board
Victory Group Limited
Chan Chun Choi
Chairman

Hong Kong, 24 February 2000

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.